
A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§346- Financial assistance; report of fraud; reward.

(a) The department shall establish a reward program for individuals who report persons who have committed fraud under section 346-34 or 346-43.5.

(b) Any individual who reports the commission of a fraud to the department, attorney general, or any prosecutor's office may collect an award under the reward program if the perpetrator of the fraud is convicted under section 346-34 or 346-43.5 and ordered to make restitution to the State; provided that:

(1) The award shall be the lesser of:

(A) \$2,500; or

(B) Ten per cent of the amount awarded as restitution to the State;

and



1 (2) Payment of the award shall be made no later than
2 thirty days after restitution sufficient to cover the
3 total amount of the award is paid by the person
4 convicted of the fraud, but no later than five years
5 after the date of conviction, regardless of the amount
6 of restitution paid.

7 (c) The department may establish rules pursuant to chapter
8 91 for purposes of this section."

9 SECTION 2. Section 346-34, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) If, at any time while the recipient of public
12 assistance is receiving public assistance, the recipient's
13 living requirements are reduced and the recipient wilfully fails
14 to report the reduction within thirty days from the date of the
15 reduction to the department, or the recipient acquires from any
16 source real property, funds, income, or other resources and
17 wilfully fails to report the amount acquired together with the
18 source of the resources to the department within thirty days of
19 receipt of the resources, or prior to spending or otherwise
20 disposing of all or any portion of the resources, the recipient
21 shall be guilty of a [~~petty misdemeanor.~~] misdemeanor; provided
22 that:



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- 1 (1) If the amount of public assistance fraudulently
2 obtained by the recipient exceeds \$300, the person
3 shall be guilty of a class C felony; and
4 (2) If the amount of public assistance fraudulently
5 obtained by the recipient exceeds \$20,000, the person
6 shall be guilty of a class B felony."

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so much
9 thereof as may be necessary for fiscal year 2008-2009 for the
10 department of human services reward program under section 1.

11 The sum appropriated shall be expended by the department of
12 human services for the purposes of this Act.

13 SECTION 4. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2008.

16 INTRODUCED BY: _____

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Report Title:

Department of Human Services Assistance; Fraud Reward Program

Description:

Establishes a reward program for reporting of fraudulent claims made to Department of Human Services assistance programs. Increases penalties for committing fraud under assistance programs.

